



**ARIZONA STATE SENATE**  
*Fifty-Sixth Legislature, First Regular Session*

FACT SHEET FOR S.B. 1453

hemp-derived impairing cannabinoids

Purpose

Prohibits a person from possessing, preparing, producing, manufacturing, distributing, selling or exposing for sale hemp-derived manufactured impairing cannabinoids without holding a certificate as a medical or recreational marijuana dispensary and without approval by the Department of Health Services (DHS). Contains requirements for enactment for initiatives and referendums (Proposition 105).

Background

Statute requires the Director of the Arizona Department of Agriculture to: 1) oversee the licensing, production and management of industrial hemp seed in the state; 2) adopt fees; and 3) authorize qualified applicants to propagate, harvest, transport or process, or any combination thereof, industrial hemp ([A.R.S. § 3-313](#)).

*Industrial hemp* is the plant *cannabis sativa* L. and any part of such a plant, whether growing or not, with a delta-9 THC concentration of not more than 0.3% on a dry weight basis ([A.R.S. § 3-311](#)).

Delta-9 THC is a Schedule I controlled substance and is the primary psychoactive cannabinoid extracted from the cannabis plant ([National Library of Health](#)). Delta-8 THC is a substance found in the cannabis sativa plant that has psychoactive and intoxicating effects and is one of over 100 cannabinoids produced naturally by the cannabis plant. Delta-8 THC is not found naturally in significant amounts and concentrated amounts are typically manufactured from hemp-derived cannabidiol (CBD). Products containing delta-8 THC are not approved by the Federal and Drug Administration ([FDA](#)).

CBD is a non-impairing compound found in marijuana and can be derived from hemp or non-hemp plants. It differs from THC in that it does not cause a user to experience a "high". CBD is often marketed in common consumer products, including foods, oils, lotions, capsules and cosmetics ([CDC](#)).

There is no anticipated fiscal impact to the state General Fund associated with this legislation.

Provisions

1. Prohibits a person from possessing, preparing, producing, manufacturing, distributing, selling or exposing for sale hemp-derived manufactured impairing cannabinoids without a nonprofit medical marijuana dispensary registration certificate or a marijuana establishment license and without approval by the DHS to convert CBD to THC or an isomer with a substantially similar molecular structure with the use of a chemical catalyst.

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2. Prohibits the sale or distribution, to another state, of DHS-authorized hemp-derived manufactured impairing CBD that is processed, prepared, produced or manufactured by a licensed medical or recreational marijuana dispensary.
3. Prohibits a licensed hemp processor from possessing, processing, producing or manufacturing hemp-derived manufactured impairing cannabinoids.
4. Prohibits medical and recreational marijuana dispensaries from:
  - a) acquiring, cultivating, possessing, manufacturing, delivering, processing, transferring, transporting, supplying, using, selling or dispensing hemp-derived manufactured impairing cannabinoids without DHS approval; and
  - b) advertising or representing hemp-derived manufactured impairing cannabinoid products, directly or indirectly, as a marijuana product.
5. Requires DHS to regulate hemp-derived manufactured impairing cannabinoids in the interest of public health and safety.
6. Directs DHS to adopt rules for medical and recreational marijuana dispensaries governing the processing, manufacturing and sale of hemp-derived manufactured impairing cannabinoids that include, at a minimum, each of the following:
  - a) approving medical and recreational marijuana dispensaries to convert CBD to THC or an isomer with substantially similar molecular structure with the use of a chemical catalyst;
  - b) specifying the authorized methods of processing hemp-derived manufactured impairing cannabinoids by converting CBD to THC or an isomer with substantially similar molecular structure with the use of a chemical catalyst;
  - c) labeling requirements for a hemp-derived manufactured impairing cannabinoid produce to inform and protect consumers;
  - d) warning requirements regarding health risks, including conspicuous notices in medical and recreational marijuana dispensaries that process or sell hemp-derived manufactured impairing cannabinoids; and
  - e) additional testing requirements for hemp-derived manufactured impairing cannabinoids for potential analytes and other contaminants resulting from the conversion of CBD to THC or an isomer with a substantially similar molecular structure with the use of a chemical catalyst that account for the processing method.
7. Requires labels of hemp-derived manufactured impairing cannabinoid products to include the statement: "This product is not marijuana. This product was derived from low-THC hemp and contains manufactured impairing cannabinoids. The THC in this product was converted from CBD with the use of a chemical catalyst."
8. Declares a violation of laws relating to hemp-derived manufactured impairing cannabinoids a class 2 misdemeanor.
9. Allows a person aggrieved by a violation of hemp-derived manufactured impairing cannabinoid laws, in addition to any other remedy at law or equity, to bring a private cause of action in a court of competent jurisdiction for damages resulting from the violation, including economic, noneconomic or other consequential damages.

10. Allows DHS to use monies in the Medical Marijuana Fund and the Smart and Safe Arizona Fund to implement and regulate hemp-derived manufactured impairing cannabinoids.
11. Requires DHS to allocate monies for costs incurred by the Department of Revenue to impose and enforce marijuana transaction privilege taxes to the Poison and Drug Information Center for purposes of supporting health care providers and providing health and safety education relating to hemp-derived manufactured impairing cannabinoids and marijuana.
12. Allows the Attorney General to use monies transferred from the Smart and Safe Arizona Fund to investigate and take action relating to the sale, marketing and distribution of hemp-derived manufactured impairing cannabinoids.
13. Defines *hemp-derived manufactured impairing cannabinoids* as any cannabinoid that is derived from the plant of the genus *cannabis* or any part of the plant and that is altered by a chemical reaction that changes the molecular structure of any natural cannabinoid derived from hemp to another cannabinoid with impairing properties that is found naturally in hemp, including outlined cannabinoids.
14. Excludes, from the definition of *hemp-derived manufactured impairing cannabinoids*, any cannabinoid derived from hemp that is produced by decarboxylation from naturally occurring cannabinoid without the use of a chemical analyst or nonintoxicating cannabinoids derived from hemp, including outlined cannabinoids.
15. Defines terms.
16. Exempts DHS from statutory rulemaking requirements for 36 months for purposes of regulating hemp-derived manufactured impairing cannabinoids.
17. Requires for enactment the affirmative vote of at least three-fourths of the members of each house of the Legislature (Proposition 105).
18. Becomes effective on the general effective date.

Prepared by Senate Research

February 10, 2023

MM/slp